

Annual Report Fiscal Year 2006

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Letter from the Chairman of the Reparations Board

I am pleased to present the annual report of the Minnesota Crime Victims Reparations Board for fiscal year 2006. This report covers the Board's activities for the period from July 1, 2005 through June 30, 2006.

In 1974, the Board was created to lessen the financial impact of violent crime on victims and their families. For the past 32 years, the Board has continually focused on meeting the essential needs of crime victims. The Board provides assistance to victims as quickly as possible to restore the losses suffered as a direct result of the crime. As the Board chairman, I have heard from countless victims about the devastating effects of crime, and the importance of reparations to their recovery and rehabilitation.

During fiscal year 2006, the Reparations Board received 1,753 new claims. A majority of the claims we received resulted from assaults, homicides, robberies, child abuse, sexual assault or drunk driving. Tragically, nine percent of the new claims received resulted from homicides. In twenty percent of our claims, the victim was less than 17 years old. At least nineteen percent of the claims submitted were related to domestic violence.

The total amount paid in awards during fiscal year 2006 was 3.8 million dollars. Funding is derived from state and federal sources, as well as restitution collected from offenders. This funding helped over 1,500 victims on their path to healing. The types of expenses paid with these funds included medical care, counseling, funeral and burial services, lost wages, loss of support for survivors, and other costs.



As Board chair, my vision has been that all victims should have equal access to information about reparations. I am pleased to report that we have made great strides toward this goal by developing educational materials in a variety of languages, and partnering with many criminal justice agencies, victim services programs, and other community organizations to distribute information about our services.

This year's letter is special because this is my last term on the Board. It has truly been an honor to work as a team with the Reparations staff and Board members for the past fourteen years. As a result of everyone's efforts, I am confident that claims have been processed in a fair, objective and compassionate manner. Speaking on behalf of all the members of the Board, it has been a pleasure to administer a program which provides such an outstanding service and restores hope for crime victims throughout Minnesota.

Chief John Harrington

Program Overview

History

Victim compensation programs were first established during the 1960s to restore the losses sustained by victims of crime. Due to the lack of health insurance and the inability of offenders to pay full restitution, many innocent victims were left with devastating medical bills and other expenses. To respond to the financial needs of victims, several states began developing compensation programs. Today, every state and many other countries have programs to provide monetary assistance to crime victims.

In Minnesota, the Crime Victims Reparations Board was established by the legislature in 1974 to help victims with their financial losses as they recover from a violent crime. The legislature recognized that many victims incur expenses they cannot afford to pay. As a result of the Reparations Program, victims no longer have to bear the financial burden of crime alone.

Since its inception, the mission of the program has been to assist victims and their family members by providing compensation for losses incurred as a result of a crime. Nearly 30,000 victims of violent crime have applied for assistance during the program's 32 years of operations.



Current Board membership includes: (left to right) Dr. Philip Eckman, M.D.; Mary Biermaier, Ramsey County; Robert Goodell, Anoka County Attorney's Office; Raichel Brown, Crime Victim; John Harrington, St. Paul Police Chief.

Board Members

The Reparations Board is composed of five members appointed by the Commissioner of the Department of Public Safety. Under Minnesota law, one member of the Board must be a physician, and at least one member must have been a victim of a crime. The Board members' terms are four years, and they may serve more than one term.

This year marked the last term for two outstanding and dedicated members of the Board, Mary Biermaier and Chief John Harrington. In their fourteen years on the Board, both have served with distinction and a high degree of professionalism. As a result of their steady guidance, the Board has greatly improved the services offered to crime victims. During their tenure, the number of claims submitted to the Board increased by thirty-three percent due to their commitment to outreach and training. We sincerely thank them for their tremendous contribution to the Board.

Board Powers and Duties

The Board is responsible for distributing funds within the boundaries of the Minnesota Crime Victims Reparations Act, Minnesota Statutes 611A.68. The Board is also governed by Minnesota Rules, 3050.0100 to 3050.4100. The Board meets once a month to review claims, hear appeals, and conduct related business. In addition, the Board develops policies and rules regarding eligibility and coverage and determines payment rates.

YEAR IN REVIEW

Responding to Violence

This year, the Reparations Board responded to an increase in urban violence which disproportionately impacted our youth. Sadly, during fiscal year 2006, the Board paid for 28 funerals for victims between the ages of 16 and 23. Seventy-nine percent of the victims were young men. Although many of the cases occurred in Minneapolis or St. Paul, this tragedy had a statewide impact.

In all of these cases, the services provided by the Reparations Board were critical to helping the families with funeral expenses, counseling services, and lost wages. Staff worked closely with victim advocates and community volunteers to assist families with completing application forms and locating services. Nonetheless, more services are needed to assist the families of these murder victims, such as grief support groups for parents and siblings.

Continued Services for Victims of the Red Lake School Shooting

The Reparations Board continued to provide assistance to claimants affected by the tragic school shooting which occurred at the Red Lake High School on March 21, 2005. By June 30, 2006, a total of 98 claims related to the shooting had been submitted to the Reparations Board. The initial grant of \$250,000 from the U.S. Department of Justice was expended. A supplementary award of an additional \$153,000 was requested and received.

Quality Service to All Victims

In addition to serving the victims described above, the Reparations Board also continued to provide high quality services to its other claimants. The Reparations Board received a total of 1,753 new claims and responded to over 10,000 calls from victims and providers during fiscal year 2006. Despite the increase in claims, the program maintained an average processing time of four months.

To obtain feedback about our services, a customer survey is sent to all funding recipients. The responses and suggestions received are used to continually improve the claims process and maintain excellent services. During fiscal year 2006, 97% gave staff an overall service rating of Very Good, Good or Fair. Several of the many positive comments received from claimants through the 2006 surveys are found throughout this report.

Rates Lowered for Fiscal Year 2006

Due to the increasing cost of providing compensation to victims, the Board voted to lower the rate of medical coverage from 70% to 50% beginning July 1, 2006. In addition, the cap on funeral expenses was lowered from \$7,500 to \$6,500.

These actions were necessary due to the rising costs of medical care over the past several years, and an increase in requests for funeral expenses due to the rise in urban violence. The Board will need to seek an increase in its state appropriation in fiscal year 2007.

Board Adopts New Rules to Help Families

During fiscal year 2006, the Board adopted several new rules to improve program operations and coverage, while controlling costs. Under the new rules, claimants may use up to \$1000 of their maximum funeral benefit for lodging for family members to attend the funeral of a victim. The Board also eliminated the cap on the number of counseling sessions for secondary victims so they can obtain the grief counseling they need as a result of their loss. The new rules will take effect in 2007.

Program Structure

The Reparations Board is a unit within the Office of Justice Programs Division in the Minnesota Department of Public Safety. Reparations staff report to Jeri Boisvert, Division Director for the Office of Justice Programs.

Staff members

Eleven staff members are responsible for processing claims, assisting victims who apply for benefits, and providing training. Current staff members are:

Marie Bibus, Program Director;
Alcenya Ajayi, Claims Specialist;
Gertrude Borowski, Admin. Specialist;
Jeanne Brann, Admin. Specialist;
Danielle Kitto, Claims Manager;
Barbara McCarty, Claims Manager;
Mary Lou Nelson, Claims Specialist;
Catherine O'Bryan, Receptionist;
Gloria Passer, Admin. Specialist;
Amy Studtmann, Claims Specialist;
L.V., Admin. Specialist.

Claimant Comment

"I thank God there are people out there who care, and programs to help when bad things happen to innocent people."

Application Process

The application process begins when a claim form is received from the victim. A request is then sent to the investigating law enforcement agency for information verifying the crime. Claims specialists review the application and law enforcement reports to make an initial decision on the claim. This includes determining whether the claim meets the Board's eligibility requirements listed below.

Eligibility Requirements

- The applicant must have been a victim of a crime involving injury or death in Minnesota or a Minnesota resident victimized while traveling in another country.
- Claims must be submitted to the Board within 3 years of the crime (except for child abuse).
- The crime must have been reported to the police within 30 days (except for sexual assault and child abuse).
- The victim must have cooperated fully with law enforcement officials.
- Victims who contributed to the crime through serious misconduct or criminal activity are disqualified, or may receive a substantially reduced award.

Award Process

If the applicant clearly meets all of the eligibility requirements, the staff immediately begins to collect billing information and other documentation from service providers to determine the amount of the victim's losses. If the victim missed work because he/she was disabled, the employer and a physician are asked to provide information about the victim's lost wages. Staff members work to ensure that all applications are processed in a timely manner, and that applicants receive all of the benefits due to them.

After the amount of the award is determined, an award notice and explanation of benefits is sent to the victim and his or her providers. After the award notice is mailed, a check is sent to the victim or his/her providers by the Department of Finance. In many cases, funds are paid through an electronic fund transfer.

Board Review

If there is a question about the applicant's eligibility under the Board's statutes and rules, the claim is forwarded to the Board for review. The Board votes on the eligibility and benefit levels of questionable claims. Typically, the Board reviews cases involving contributory misconduct or lack of cooperation by the victim. If the claim is denied or reduced by the Board, the victim is notified in writing of the denial or reduction in benefits, and the reasons for the Board's decision.

Appeals Process

Applicants who are dissatisfied with the Board's actions on their claim may submit an appeal letter. After the Board hears the appeal, applicants who are still dissatisfied with the Board's decision can proceed to an administrative hearing. Hearings are conducted by an impartial administrative law judge at the Office of Administrative Hearings.

Claimant Comment

"My son was the victim of a crime. After the incident, I decided to turn to the Office of Justice and the crime victims unit. I had a wonderful experience...everyone I spoke with and our caseworker was truly helpful and knowledgeable. The many times I called to check the status of the claim, the customer representatives were so helpful and courteous."

Program Coverage

The Reparations Board provides benefits for expenses incurred by the victim as a result of the crime. The Board only pays expenses that are not covered by another source of funding, such as health or auto insurance. Property losses are not covered.

There are rate limits or caps on most expenses. Medical costs are covered at a rate of 50 percent and providers are required to write-off the remainder. In addition, total benefits may not exceed \$50,000.

Benefits are available for the following expenses:

- Medical or dental costs, including hospital and clinic fees, ambulance service, prescriptions, chiropractic care, physical therapy, and accessibility remodeling.
- Mental health care for the victim, up to \$7,500. Benefits are also available for counseling for immediate family members of the

victim and witnesses to a violent crime.

- Expenses related to the return of an abducted child.
- Funeral and burial costs up to \$6,500, including transportation and lodging for family members to attend the funeral.
- Lost wages for the victim due to a disabling physical or psychological injury from the crime, up to 52 weeks. Limited lost wages are also available for immediate family members of a deceased or injured victim.
- Loss of support benefits for dependents of a deceased victim.
- Childcare or professional household services to replace services provided by the victim prior to the crime.

Claimant Comment

"Thank you for your immediate attention to my case. You and the program have made my life less stressful and easier for me to deal with my loss."



Board members Biermaier and Goodell



Board members Harrington and Eckman

Education and Outreach Program

The Reparations Board has an education and outreach program to ensure that all victims of violent crime receive information about reparations and have an opportunity to apply for benefits. The Board uses various ways to raise awareness, including training events, a website, a newsletter, and distribution of informational materials in multiple languages and formats.

The Board provides training and information to professionals who have the most contact with crime victims. Training about reparations benefits and policies is provided during quarterly seminars for advocates throughout the state. The staff also responds to requests for training from shelters, crisis centers, community organizations, and city, county, or U.S. attorney offices.

During fiscal year 2006, the reparations staff conducted 14 training sessions at locations throughout the state. The education and outreach program has been very successful. Of the participants who completed an evaluation, 96 percent rated the overall content as excellent or good.

The program has a variety of brochures, handbooks, and posters available. Law enforcement agencies, county attorney offices, and victim service programs can request materials by submitting an order form. The order form and copies of materials may be downloaded from the Department of Public Safety Office of Justice Programs website at www.ojp.state.mn.us.

TRAINING PARTICIPANT COMMENTS

"The presenter did a great job clarifying what the Minnesota Crime Victims Reparations Board was and how it could help."

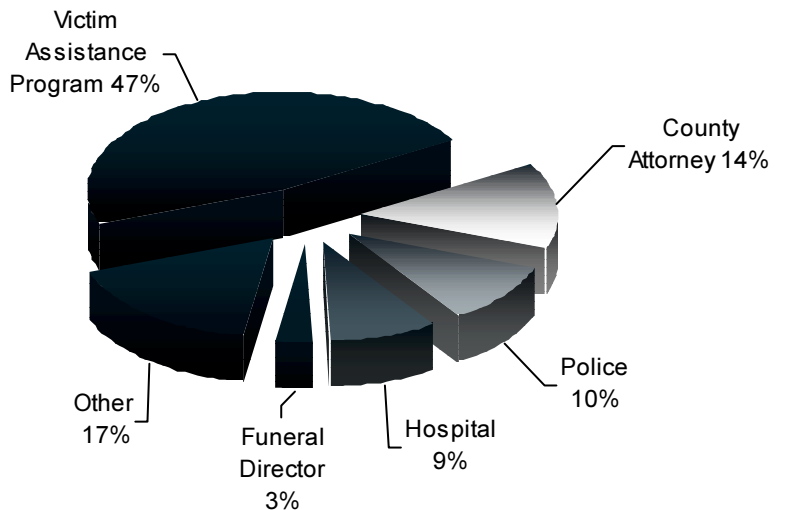
"This information is very important for victims of domestic abuse who are hesitant to press charges against the abuser."

"I have been doing this job for 5 years and never knew all the details to Reparations. Hopefully I will start helping victims file more claims in the future."

"Prior to this training, I knew nothing about this program. I learned a lot. Thanks!"

Claims by Referral Source

Referral Source	Number of Claims
Funeral Home	59
Hospital	165
Internet Website	2
Other	174
Police	172
Poster/PSA	10
Probation Officer	21
Prosecutor	236
Sexual Assault Program	88
Shelter	95
Social Services	40
Unknown	44
Victim/Witness Program	647
TOTAL	1753



Claims Received

In fiscal year 2006, the Reparations Board received 1,753 claims from all geographic areas of the state. This was a 1 percent increase from the previous year. The number of claims received as a result of crimes in Hennepin County increased significantly from 489 in fiscal year 2005 to 526 in fiscal year 2006. The majority of claims were from victims in the following counties: Hennepin (30 percent), Ramsey (13 percent), Anoka (5 percent), Dakota (5 percent), Washington (4 percent), Beltrami (3 percent), Olmsted (3 percent), and St. Louis (3 percent).

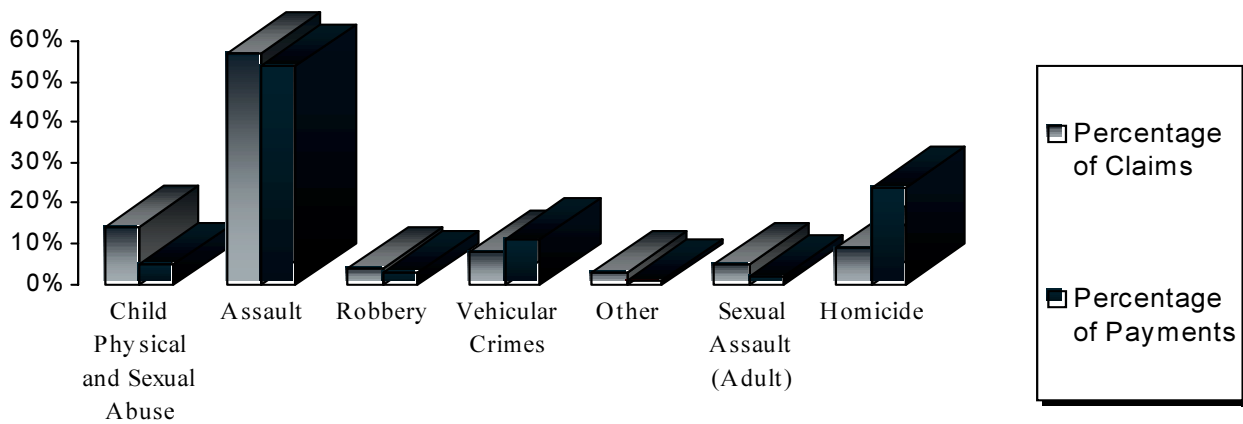
The most common crime categories were assaults (57 percent), child abuse (14 percent), homicides (9 percent), drunk driving (8 percent), sexual assaults (5 percent), and robberies (4 percent). There were increases in claims for assaults and robberies.

Twenty percent of the victims were children, age 17 or less. Fifty-three percent of the victims were male. Fifty-six percent were white, 17 percent were African-American, 5 percent were American Indian, 8 percent were Hispanic or Latino, 3 percent were Asian-American, and 10 percent were unknown.

Claims by Type of Crime

Crime Type	Number of Claims
Assault-5th Degree	200
Assault Felony	806
Drunk Driving	138
Kidnapping	14
Murder	161
Child Abuse	252
Robbery	70
Sexual Assault	86
Other	26
TOTAL	1,753

Claims/Payments by Crime Type



Claimant Comment

"I can't say enough how wonderful you all are after everything we have gone through with our son and the abuse. This was needed to help with the financial burden."

Program Funding and Expenditures

Funding Sources

In fiscal year 2006, the Board's budget consisted of over 4.7 million dollars from state and federal sources. Forty-four percent of the funding came from the state general fund appropriation. Twenty-nine percent was derived from special revenue collected by the Board. Special revenue included restitution payments from offenders, unclaimed restitution, funds from civil awards paid to victims, and inmate wage deductions transferred from the Minnesota Department of Corrections.

Twenty-seven percent of the Board's funding was received in grants from the federal government. The program received an annual federal grant from the U.S. Department of Justice, Office for Victims of Crime. In addition, the Board was awarded a supplemental grant of \$153,000 from the U.S. Department of Justice, Antiterrorism and Emergency Assistance grant program for the victims of the Red Lake school shooting which occurred in March of 2005.

Restitution and Civil Award Collections

The Reparations Board is committed to holding offenders accountable for restoring the victim's losses. In 1993, the Board started a fund recovery program to improve the collection of restitution from offenders as well as civil awards. The fund recovery program has been extraordinarily successful. During the past five years, the amounts collected in restitution and subrogation have increased by 35%.

In fiscal year 2006, the Program recovered \$403,524 in restitution, the highest amount ever collected in one year. The Program also received \$246,439 in unclaimed restitution monies from counties. In addition, the Program recovered \$88,876 in civil awards.

The collection of restitution and civil awards has been critical for continued operation of the Reparations Board.

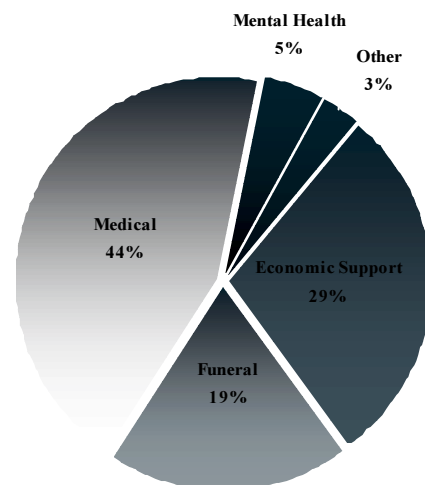
The second most costly type of expense was economic support which includes lost wages and loss of support to dependents of a deceased victim. In fiscal year 2006, twenty-nine percent of the Board's expenses were for economic support. The cost of paying economic support has increased significantly during the past two years.

Funeral expenses and related transportation costs were the third largest category of expenditures at nineteen percent.

Mental health care was the least expensive category, comprising only five percent of the Board's expenditures.

Other payments, such as crime scene clean-up and accessibility remodeling accounted for three percent of expenditures.

Payment by Expense Type



Expenditures

In fiscal year 2006, over 3.8 million dollars was distributed in payments to victims or their providers. The Board's administrative costs were approximately \$800,000.

The largest category of expenses was medical care for victims which accounted for forty-four percent of the reparations payments. The Board's medical costs increased more than two-fold between fiscal years 2001 and 2006. Five years ago, the annual cost of paying medical expenses for victims was only \$794,000. The cost of medical payments for fiscal year 2006 was over \$1.7 million dollars.

Claimant Comment

"Thank you. All the people have been so helpful, encouraging, and positive. It has been a blessing."